

improvement of the railway stations at Christchurch and Lyttelton; general additions to station accommodation; and a large increase of rolling stock.

From Moeraki to Dunedin the whole line is under contract, except the Wai-kouaiti Section, the formation of which has been done by piece-work. The time for completion of the latest contracts is January next, and every exertion will be used to get the works finished within the specified time.

The completion of the line between Dunedin and Invercargill is in a forward state, with the exception of the section from Balclutha to Clinton, for which tenders are invited; the work to be completed in June, 1878.

The Invercargill to Kingston line is open for traffic to Lowther, and will be completed to Kingston within the present year; by which time the Government hopes the main trunk line from Amberley to Kingston, a length of 527 miles, will be open for traffic.

Several railways in the Provincial District of Otago were in course of construction under the Provincial Government, and have been taken over by the Public Works Department.

The Marewhenua, Waiareka, and Green Island Railways, although open for traffic, require a considerable expenditure for stations and rolling stock, and this is provided for.

The Outram Railway is near completion, but requires rolling stock.

The formation on the Western Lines, in the Otago district, was partly undertaken when the works were taken over, but much remains to be done to complete them. The section from Wallacetown to the junction with the Otautau line is now contracted for, and the completion of the formation of that section to Riverton, and of the Otautau line, will be proceeded with, so as to be ready for plate-laying as soon as the Wallacetown line is available for conveying the rails. There is no rolling stock for these lines, but what is requisite for their working has been ordered.

In conformity with the provisions of "The Financial Arrangements Act, 1876," a valuation has been made of the Provincial Railways in Canterbury and Otago.

The valuation of the Canterbury Railways amounts to £731,759, and of the Otago Railways to £372,522 2s. 5d.

Copies of the award of the valuation in each case will be laid upon the Table.

The total lengths of the railways authorized, open for traffic, and to be opened during and subsequently to the present year, inclusive of the lines undertaken by the provinces, are respectively, as follows:—

	Authorized.		Open for Traffic.		To be opened during 1877-78.		To be completed subsequent to 30 June, 1878.	
	Mls.	Chs.	Mls.	Chs.	Mls.	Chs.	Mls.	Chs.
In the North Island ...	412	13	212	47	131	75	67	51
In the South Island ...	815	32	647	55	142	31	25	26
	<u>1,227</u>	<u>45</u>	<u>860</u>	<u>22</u>	<u>274</u>	<u>26</u>	<u>92</u>	<u>77</u>

The amount appropriated by the Immigration and Public Works Appropriation Act of last year for Railways was £1,300,600; the expenditure against which has been £967,425 13s. 2d., including the distribution to the several railways concerned of £29,881 15s. 6d., being the balance of the advances made in previous years to the General Railways Account.

The total expenditure up to 30th June, 1877, was £6,129,920 11s. 5d., and the outstanding liabilities £530,333 4s. 4d. This amount includes the liabilities for all existing contracts, some of which extend into the year 1878, and for plant and materials ordered from Home.

SURVEYS.

The work performed during the past year on exploration surveys for the Main Trunk lines has not been considerable, and what has been done has not yet been plotted, so that the Engineer-in-Chief is unable at present to report definitely. It is our intention to push on the exploration surveys during the present year, and